

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Responses to the Department's Fifth Set of Information Requests

Request No. DTE 5-13 (Gas):

Refer to Exh. FGE-MHC-1 (Gas) at 43, line 17. Provide all letters and invoices that support this statement.

Response:

See Attachment DTE 5-13 (Gas) for invoices and letters for each specific Insurance category listed on Schedule MHC-7-9 (gas) lines 1-3, and 7-10. All but one of the insurance coverages are on a total Unitil Corp. basis, are paid by Unitil Service Corp and allocated to the various companies per an allocation methodology. Workers Compensation is the only coverage that is specific by company. There are two allocation methodologies, specific factor and general allocator. A specific factor situation is where a specific statistical factor relates to a particular cost, i.e. is the cost driver. For example, Auto Liability uses the number of vehicles as the allocator. A general allocator is where no specific factor relates to a cost. Example coverages of this are Excess Liability and Directors' & Officer's Liability. The general allocator used by Unitil is a weighted average of Plant, Revenues and Salaries. These are the factors that are reported and used by the insurance carrier in its' determination of premiums.

Premium invoices for two coverages do not agree to Schedule MHC-7-9 (gas). This was prepared prior to receiving the final premium determinations. The amount for Crime was filed as \$2,777 and was actually \$2,314. The estimate for Transit was filed as \$5,292 and the final premium was \$5,602. The net increase of \$153 will be included as an adjustment to the May 2002 filing.

The following identifies the attachments by insurance coverage as listed on Schedule MHC-7-9 (gas).

<u>Attachment DTE 5-13</u>	<u>Coverage Type</u>	<u>Allocation Basis</u>	<u>Amount</u>
1. Page 1-2 of 12	All Risk Property	Value of Property	\$48,961
2. Page 3 of 12	Crime	General (44.5%)	2,314
3. Page 4 of 12	Transit	Value of Equipment	5,602
4. Page 5 of 12	Workers Comp	Direct Charge	190,260
5. Page 6-8 of 12	Excess Liability	General (44.5%)	111,724
6. Page 9-11 of 12	Directors & Officers	General (44.5%)	53,517
7. Page 12 of 12	Fiduciary	General (44.5%)	6,470

Person Responsible: Mark H. Collin

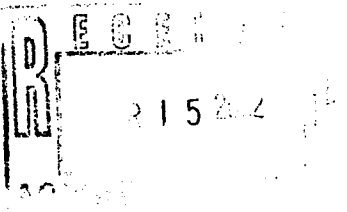
C J McCarthy Ins Agency, Inc.
A Hub International Limited Co
229 Andover Street
Wilmington, MA 01887
Phone : 978-657-5100 Fax : 978-658-9185

INVOICE #		88370	Page 1
ACCOUNTING	OF	DATE	
UNIT-1	MT	04/08/02	
POLICY INFORMATION			
POLICY #			
ST2605623			
COMPANY			
A.L.G			
EFFECTIVE	EXPIRATION	BALANCE DUE ON	
05/01/02	05/01/03	05/01/02	

Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

Item #	Eff Date	Trn	Description	Amount
616312	05/01/02	REN	Property - 2002-2003	\$ 99,604.00
Invoice Balance:				\$ 99,604.00

*# 48,961 SPECIFIC
ALLOCATION F&E*



Property Coverage - 3rd year Anniversary Installment billing
2002 - 2003

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***



THE MCCARTHY COMPANIES

4/8/02

Mr Thomas Gatherum
Claim and Safety Manager
Unitil Corporation
5 McGuire Street
Concord, NH 03301-4266

RE: Property/Boiler Insurance Renewal – 5/1 Anniversary

Dear Tom:

As discussed on the phone, we did the best we could to resist the pressure for a substantial rate increase. We were able to talk Regan down from a preliminary indication of a 50% rate increase to an offer of 40%, and then ultimately to a final written anniversary proposal of a 30% rate increase. The property area is one of the most severely affected (by the hard market) of all insurance lines renewing at this time, and we also had some pent up pressure for increase because Regan had underpriced the Boiler when he took it over a couple years back.

In due course, you will have an Agreed Amount Endorsement at this anniversary, as well as the previously discussed War/Terrorism, Data Distortion/Corruption, and Political Risk endorsements.

Attached is an exhibit showing the premium calculation utilizing your values at this anniversary times the rates, which have been increased 30%. The premium works out to be \$99,604. An invoice is enclosed.

Thanks for the opportunity to be of service. Should you have any questions, give me a call.

Best regards,

A handwritten signature in dark ink, appearing to read "W. LaFrance".

William B LaFrance, CPCU
Senior Vice President

C J McCarthy Ins Agency, Inc.
A Hub International Limited Co
 229 Andover Street
 Wilmington, MA 01887
 Phone : 978-657-5100 Fax : 978-658-9185

Unitil Corporation
 6 Liberty Lane West
 Hampton, NH 03842-1720

DTE 02-24/25 (Gas)
 Attachment DTE 5-13
 Page 3 of 12

INVOICE # 86019		PAGE 3
ACCOUNT NO.	OF	DATE
UNIT-1	MT	01/02/02
POLICY INFORMATION		
POLICY #		
BDN1575391		
COMPANY		
Hanover Insurance Company		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
02/01/00	02/01/03	02/22/02

Item #	Eff Date	Trn	Description		Amount
579965	02/01/02	NIS	Crime Bond- 3rd year Install.	\$	5,200.00
Invoice Balance:				\$	5,200.00

GENERAL
\$2,314 FGE ALLOCATION
44.5%

*OK'd
 Revised
 32486*

Crime Bond-3rd year Installment 02/01/02 - 02/01/03

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***

C J McCarthy Ins Agency, Inc.
A Hub International Limited Co
 229 Andover Street
 Wilmington, MA 01887
 Phone : 978-657-5100 Fax : 978-658-9185

Unitil Corporation
 6 Liberty Lane West
 Hampton, NH 03842-1720

INVOICE #		88460
ACCOUNT #	OF	DATE
UNIT-1	MT	04/10/02
POLICY INFORMATION		
POLICY #		
MXI97000148		
COMPANY		
Fireman's Fund Ins. Co.		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
05/01/02	05/01/03	05/01/02

DTE 02-24/25 (Gas)
 Attachment DTE 5-13
 Page 4 of 12

Item #	Eff Date	Trn	Description	Amount
617105	05/01/02	REN	Equipment Policy - 2002-2003	\$ 7,716.00
Invoice Balance:				\$ 7,716.00

*Request
34258*

*SPECIFIC
FGE ALLOCATION
\$ 5.602*

Equipment Policy

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***



00176

THE TRAVELERS
P.O. BOX 96359
CHICAGO IL 60693-6359

DTE 02-24/25 (Gas)
Attachment DTE 5-13
Page 5 of 12

PREMIUM

ASSIGNED RISK-WORKERS' COMPENSATION INSURANCE

Date of Bill: 01/29/02
Policy Number: 716X9999

DIRECT INQUIRIES TO:

THE TRAVELERS
P.O. BOX 3556
ORLANDO FL 32802-3556

1-800-443-4404
1-800-247-7218 (FL)

Amount Due	\$15,855.00
Date Due	02/28/02

FITCHBURG GAS & ELECTRIC LIGHT
CO
5 MCGUIRE STREET
ATTN: THOMAS GATHERUM
CONCORD NH 03301

PRODUCER: C J MCCARTHY INS AGCY

PAGE 1 OF 1

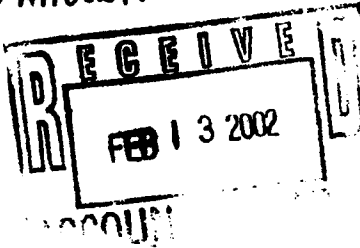
DESCRIPTION**PREMIUM**

POLICY PERIOD	EFFECTIVE DATE	12/31/01	EXPIRATION DATE	12/31/02	
INSTALLMENT					
			DUE DATE	02/28/02	\$15,855.00
			TOTAL AMOUNT DUE		\$15,855.00

\$15,855 x 12 = ~~190,260~~

NO ALLOCATION

DIRECT CHARGE



#31188

** PLEASE NOTE THAT IF YOUR PAYMENT IS NOT RECEIVED BY THE "DATE DUE", **
** CANCELLATION PROCEDURES WILL BE INITIATED. **

SEE REVERSE SIDE FOR MORE INFORMATION

TO ENSURE YOUR PAYMENT IS PROPERLY APPLIED, detach the return payment stub and mail to the return address below.

Mail:
AEGIS Insurance Services, Inc.
P.O. Box 23538
Newark, NJ 07189

Wire Transfer:
Contact Your Underwriter
For Instructions



DTE 02-24/25 (Gas)
Attachment DTE 5-13
Page 6 of 12

Overnight Delivery:
Associated Electric & Gas Insurance
Services Limited
c/o Fleet Bank
55 Challenger Road
Ridgefield Park, NJ 07860
Attn: Lockbox Department

Insured: UNITIL Corporation
6 Liberty Lane West
Hampton, NH 03482-1720

Invoice Number: 25345
Date of Invoice: 12/14/2001
Policy Number: X0467A1A01

THIS PREMIUM MAY BE SUBJECT TO STATE AND/OR LOCAL PREMIUM TAXES OR FEES.
IT IS THE INSURED'S RESPONSIBILITY TO PAY ANY APPLICABLE TAXES AND/OR FEES AND TO MAKE THOSE PAYMENTS DIRECTLY TO
THE APPROPRIATE STATE OR LOCAL AGENCY.

EFFECTIVE DATES		DESCRIPTION		PREMIUM	PREMIUM
FROM	TO			CHARGE	CREDIT

12/31/2001	12/31/2002	Excess Liability Insurance Policy Eff. Dates: Dec. 31, 2001 to Dec. 31, 2002	\$	298,012	
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\$105,271

GENERAL
FGE ALLOCATION
44.5%

Less Continuity Credit

\$ 61,449

AMOUNT DUE AEGIS

\$ 236,563

Request # 25345

JAN 22 2002

PAYMENT DUE THE LATER OF 20 DAYS FROM EFFECTIVE DATE OR 15 DAYS FROM INVOICE DATE.
AN ADDITIONAL CHARGE BASED ON A RATE OF 2% PER MONTH WILL BE MADE ON PAST DUE AMOUNTS.

PLEASE MAKE CHECKS PAYABLE TO AEGIS INSURANCE SERVICES, INC. AND RETURN ONE COPY OF THIS INVOICE WITH PAYMENT.

00467

SERIAL NUMBER

56398

December 12 , 2001

Mr Thomas Gatherum
Loss Control and Claims Supervisor
Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

RE: Aegis Excess Liability 12/31/01-02

Dear Tom:

After some discussions with underwriters, they have agreed to give Unitil a lesser increase in premium than they are doing with the majority of their accounts. Net premium to you this year, after application of continuity credit, is ~~298,012~~ 236,563. This is calculated by first taking a gross rated premium of \$298,012 and then deducting a continuity credit of \$61,449. As previously proposed by email, I would like your approval to change from a \$14,500 fee to a \$15,000 commission this year. This would result in a new net premium of \$251,563.

For comparison, last year the net premium after continuity credit was \$208,347. The gross rated premium was \$265,983 and the continuity credit was \$57,636. Thus, the net premium increase over last year is \$28,216 or a 13.5% increase. If you include the \$500 increase in broker compensation the increase would be 13.8%.

This year coverage is provided under the Aegis 2000 form, however, basic coverages and endorsements are unchanged from last year.

Details of the renewal quotation are attached.

Thanks for the opportunity to assist you on this.

Best regards,

William B LaFrance, CPCU
Senior Vice President

C J McCarthy Ins Agency, Inc.
 A Hub International Limited Co
 229 Andover Street
 Wilmington, MA 01887
 Phone : 978-657-5100 Fax : 978-658-9185

Unitil Corporation
 6 Liberty Lane West
 Hampton, NH 03842-1720

DTE 02-24/25 (Gas)
 Attachment DTE 5-13
 Page 8 of 12

INVOICE # 84252		Page 1
ACCOUNT NO. UNITI-1	OF MT	DATE 12/21/01
POLICY INFORMATION		
POLICY #		
CONSULTANT FEE		
COMPANY		
Associated Electric & Gas Ins.		
EFFECTIVE 12/31/01	EXPIRATION 12/31/02	BALANCE DUE ON 01/05/02

Item #	Eff Date	Trn	Description	Amount
576517	12/31/01	AFE	Consulting Fee - 2001-2002	\$ 14,500.00
Invoice Balance:				\$ 14,500.00

BROKER

\$ 6.453 FGE ALLOCATION

Request # 31503

JAN 22 2002

Consulting Fee - Aegis policies - 2001-2002

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***

Mail:
AEGIS Insurance Services, Inc.
P.O. Box 23538
Newark, NJ 07189

Wire Transfer:
Contact Your Underwriter
For Instructions
INCLUDE INSURED NAME & AEGIS ORIGINAL
INVOICE#



DTE 02-24/25 (Gas)
Attachment DTE 5-13
Page 9 of 12

Overnight Delivery:
Associated Electric & Gas Insurance
Services Limited
c/o Fleet Bank
55 Challenger Road
Ridgefield Park, NJ 07660
Attn: Lockbox Department

Insured: UNITIL Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

Invoice Number: 25993
Date of Invoice: 03/29/2002
Policy Number: D0467A1A02

THIS PREMIUM MAY BE SUBJECT TO STATE AND/OR LOCAL PREMIUM TAXES OR FEES.
IT IS THE INSURED'S RESPONSIBILITY TO PAY ANY APPLICABLE TAXES AND/OR FEES AND TO MAKE THOSE PAYMENTS DIRECTLY TO
THE APPROPRIATE STATE OR LOCAL AGENCY.

EFFECTIVE DATES		DESCRIPTION		PREMIUM CHARGE	PREMIUM CREDIT
FROM	TO				
04/28/2002	04/28/2003	Directors and Officers Liability Insurance, effective April 28, 2002 to April 28, 2003.	\$	229,139	

\$ 47.042 FGE PORTION GENERAL
ALLOCATION
44.5%

*Refund
34260*

Less Continuity Credit

\$ 123,426

AMOUNT DUE AEGIS

\$ 105,713

PAYMENT DUE THE LATER OF 20 DAYS FROM EFFECTIVE DATE OR 15 DAYS FROM INVOICE DATE.
AN ADDITIONAL CHARGE BASED ON A RATE OF 2% PER MONTH WILL BE MADE ON PAST DUE AMOUNTS.

PLEASE MAKE CHECKS PAYABLE TO AEGIS INSURANCE SERVICES, INC. AND RETURN ONE COPY OF THIS INVOICE WITH PAYMENT.

00467

SERIAL NUMBER

57136



THE MCCARTHY COMPANIES

April 3, 2002

Mr Thomas Gatherum
Claim and Loss Control Manager
Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

RE: Aegis Directors and Officers Liability Renewal 4/28/02-03

Dear Tom:

As previously discussed, this year the best we could do was a 30% increase in rated premium, which translated to a substantial increase in the net premium. I was able to negotiate down from an initial 50% first offer, but the market has hardened very quickly, especially for energy companies, and a substantial increase was unavoidable.

Renewal net premium is ~~\$104,713~~ ^{\$105,713}. Rated Premium is \$229,139, less a Continuity Credit of \$123,426, to arrive at \$105,713. Added to this would be our brokerage fee of \$15,000, which is the same as last year.

For comparison, last year the net premium after continuity credit was \$53,898. The Rated Premium was \$176,261 and the Continuity Credit was \$122,363.

This increase is primarily due to a 40% increase in the cost of the Aegis reinsurance treaties which renewed 1/1/02. In addition Aegis losses continue to escalate in the D&O area, now that Enron, Williams and others have financial statement related claims, on top of the California utilities and their problems. The Aegis approach continues to be to give the best treatment to their lowest risk clients, and they have done this by giving Unitil a percentage increase that is among the smallest in their book of clients.

Invoicing is attached. Please remit \$105,713 to Aegis, and the \$15,000 consulting fee to McCarthy.

Details of the program appear on the attached exhibit. Thanks for the opportunity to be of service.

Best regards,


William B LaFrance, CPCU
Senior Vice President

C J McCarthy Ins Agency, Inc.
A Hub International Limited Co
229 Andover Street
Wilmington, MA 01887
Phone : 978-657-5100 Fax : 978-658-9185

INVOICE # 88164	
ACCOUNT NO.	DATE
UNIT-1	MT 04/03/02
POLICY INFORMATION	
POLICY #	
CONSULTANT FEE	
COMPANY	
Associated Electric & Gas Ins.	
EFFECTIVE	EXPIRATION
05/01/02	05/01/03
BALANCE DUE ON	
05/01/02	

Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

Item #	EFF Date	Trn	Description	Amount
614533	05/01/02	AFE	Consulting Fee-D&O Cov	\$ 15,000.00
Invoice Balance:				\$ 15,000.00

GENERAL
\$6,675 FGE ALLOCATION
44.5%.

Request
34257

Consulting Fee - Directors & Officers - 2002-2003

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***

Mail:
AEGIS Insurance Services, Inc.
P.O. Box 23538
Newark, NJ 07189

Wire Transfer:
Contact Your Underwriter
For Instructions



DTE 02-24/25 (Gas)
Attachment DTE 5-13
Page 12 of 12

Overnight Delivery:
Associated Electric & Gas Insurance
Services Limited
c/o Fleet Bank
55 Challenger Road
Ridgefield Park, NJ 07860
Attn: Lockbox Department

Insured: Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

Invoice Number: 25346
Date of Invoice: 12/14/2001
Policy Number: F0467A1A01

THIS PREMIUM MAY BE SUBJECT TO STATE AND/OR LOCAL PREMIUM TAXES OR FEES.
IT IS THE INSURED'S RESPONSIBILITY TO PAY ANY APPLICABLE TAXES AND/OR FEES AND TO MAKE THOSE PAYMENTS DIRECTLY TO
THE APPROPRIATE STATE OR LOCAL AGENCY.

EFFECTIVE DATES		DESCRIPTION		PREMIUM	PREMIUM
FROM	TO			CHARGE	CREDIT

12/31/2001	12/31/2002	Fiduciary and Employee Benefit Liability Insurance Policy, effective December 31, 2001 to December 31, 2002.	\$	14,540	
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\$ 6,470 GENERAL
FGE ALLOCATION
44.5%

AMOUNT DUE AEGIS

\$ 14,540

Request # 25346

JAN 22 2002

PAYMENT DUE THE LATER OF 20 DAYS FROM EFFECTIVE DATE OR 15 DAYS FROM INVOICE DATE.
AN ADDITIONAL CHARGE BASED ON A RATE OF 2% PER MONTH WILL BE MADE ON PAST DUE AMOUNTS.

PLEASE MAKE CHECKS PAYABLE TO AEGIS INSURANCE SERVICES, INC. AND RETURN ONE COPY OF THIS INVOICE WITH PAYMENT.

00467

SERIAL NUMBER

56358